

111TH CONGRESS
1ST SESSION

S. 960

To amend title XVIII of the Social Security Act and the Employee Retirement Income Security Act of 1974 to provide access to Medicare benefits for individuals ages 55 to 65, to amend the Internal Revenue Code of 1986 to allow a refundable and advanceable credit against income tax for payment of such premiums, and for other purposes.

IN THE SENATE OF THE UNITED STATES

MAY 1, 2009

Mr. ROCKEFELLER (for himself, Mr. BROWN, and Mr. CARDIN) introduced the following bill; which was read twice and referred to the Committee on Finance

A BILL

To amend title XVIII of the Social Security Act and the Employee Retirement Income Security Act of 1974 to provide access to Medicare benefits for individuals ages 55 to 65, to amend the Internal Revenue Code of 1986 to allow a refundable and advanceable credit against income tax for payment of such premiums, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE; TABLE OF CONTENTS.**

4 (a) SHORT TITLE.—This Act may be cited as the
5 “Medicare Early Access Act of 2009”.

1 (b) TABLE OF CONTENTS.—

Sec. 1. Short title; table of contents.

TITLE I—ACCESS TO MEDICARE BENEFITS FOR INDIVIDUALS 55
TO 65 YEARS OF AGE

Sec. 101. Access to Medicare benefits for individuals 55 to 65 years of age.

“PART E—PURCHASE OF MEDICARE BENEFITS BY CERTAIN INDIVIDUALS
55 TO 65 YEARS OF AGE

“Sec. 1860E–1. Program benefits; eligibility.

“Sec. 1860E–2. Enrollment process; coverage.

“Sec. 1860E–3. Premiums.

“Sec. 1860E–4. Payment of premiums.

“Sec. 1860E–5. Provisions relating to employment-based retiree health
coverage.

“Sec. 1860E–6. Medicare Early Access Trust Fund.

“Sec. 1860E–7. Oversight and accountability.

“Sec. 1860E–8. Administration and miscellaneous.

TITLE II—REFUNDABLE AND ADVANCEABLE CREDIT AGAINST
INCOME TAX FOR MEDICARE EARLY ACCESS PREMIUMS

Sec. 201. Refundable and advanceable income tax credit for Medicare early ac-
cess premiums.

2 **TITLE I—ACCESS TO MEDICARE**
3 **BENEFITS FOR INDIVIDUALS**
4 **55 TO 65 YEARS OF AGE**

5 **SEC. 101. ACCESS TO MEDICARE BENEFITS FOR INDIVID-**
6 **UALS 55 TO 65 YEARS OF AGE.**

7 (a) IN GENERAL.—Title XVIII of the Social Security
8 Act is amended—

9 (1) by redesignating part E as part F; and

10 (2) by inserting after part D the following new
11 part:

1 **“PART E—PURCHASE OF MEDICARE BENEFITS**
 2 **BY CERTAIN INDIVIDUALS 55 TO 65 YEARS OF**
 3 **AGE**

4 **“SEC. 1860E-1. PROGRAM BENEFITS; ELIGIBILITY.**

5 “(a) ENTITLEMENT TO MEDICARE BENEFITS FOR
 6 ENROLLED INDIVIDUALS.—

7 “(1) IN GENERAL.—An individual enrolled
 8 under this part is entitled to the same benefits
 9 under this title as an individual entitled to benefits
 10 or enrolled under any part of this title.

11 “(2) DEFINITIONS.—For purposes of this part:

12 “(A) FEDERAL OR STATE COBRA CONTINU-
 13 ATION PROVISION.—The term ‘Federal or State
 14 COBRA continuation provision’ has the mean-
 15 ing given the term ‘COBRA continuation provi-
 16 sion’ in section 2791(d)(4) of the Public Health
 17 Service Act and includes a comparable State
 18 program, as determined by the Secretary.

19 “(B) FEDERAL HEALTH INSURANCE PRO-
 20 GRAM DEFINED.—The term ‘Federal health in-
 21 surance program’ means any of the following:

22 “(i) MEDICARE.—Any part of this
 23 title (other than by reason of this part).

24 “(ii) MEDICAID.—A State plan under
 25 title XIX.

1 “(iii) FEHBP.—The Federal employ-
 2 ees health benefit program under chapter
 3 89 of title 5, United States Code.

4 “(iv) TRICARE.—The TRICARE
 5 program (as defined in section 1072(7) of
 6 title 10, United States Code).

7 “(v) ACTIVE DUTY MILITARY.—Health
 8 benefits under title 10, United States
 9 Code, to an individual as a member of the
 10 uniformed services of the United States.

11 “(C) GROUP HEALTH PLAN.—The term
 12 ‘group health plan’ has the meaning given such
 13 term in section 2791(a)(1) of the Public Health
 14 Service Act.

15 “(b) ELIGIBILITY OF INDIVIDUALS AGE 55 TO 65
 16 YEARS OF AGE.—

17 “(1) IN GENERAL.—Subject to paragraph (2),
 18 an individual who meets the following requirements
 19 with respect to a month is eligible to enroll under
 20 this part with respect to such month:

21 “(A) AGE.—As of the last day of the
 22 month, the individual has attained 55 years of
 23 age, but has not attained 65 years of age.

24 “(B) MEDICARE ELIGIBILITY (BUT FOR
 25 AGE).—The individual would be eligible for ben-

1 efits under part A or part B for the month if
2 the individual were 65 years of age.

3 “(C) NOT ELIGIBLE FOR COVERAGE
4 UNDER GROUP HEALTH PLANS OR FEDERAL
5 HEALTH INSURANCE PROGRAMS.—The indi-
6 vidual is not eligible for benefits or coverage
7 under a Federal health insurance program (as
8 defined in subsection (a)(2)(B)) or under a
9 group health plan (other than such eligibility
10 merely through a Federal or State COBRA con-
11 tinuation provision) as of the last day of the
12 month involved.

13 “(2) LIMITATION ON ELIGIBILITY IF TERMI-
14 NATED ENROLLMENT.—If an individual described in
15 paragraph (1) enrolls under this part and coverage
16 of the individual is terminated under section 1860E-
17 2(d) (other than because of age), the individual is
18 not again eligible to enroll under this subsection un-
19 less the following requirements are met:

20 “(A) NEW COVERAGE UNDER GROUP
21 HEALTH PLAN OR FEDERAL HEALTH INSUR-
22 ANCE PROGRAM.—After the date of termination
23 of coverage under such section, the individual
24 obtains coverage under a group health plan or
25 under a Federal health insurance program.

1 “(B) SUBSEQUENT LOSS OF NEW COV-
 2 ERAGE.—The individual subsequently loses eli-
 3 gibility for the coverage described in subpara-
 4 graph (A) without regard to whether the indi-
 5 vidual has exhausted any eligibility the indi-
 6 vidual may subsequently have for coverage
 7 under a Federal or State COBRA continuation
 8 provision.

9 “(3) CHANGE IN HEALTH PLAN ELIGIBILITY
 10 DOES NOT AFFECT COVERAGE.—In the case of an
 11 individual who is eligible for and enrolls under this
 12 part under this subsection, the individual’s continued
 13 entitlement to benefits under this part shall not be
 14 affected by the individual’s subsequent eligibility for
 15 benefits or coverage described in paragraph (1)(C),
 16 or entitlement to such benefits or coverage.

17 **“SEC. 1860E-2. ENROLLMENT PROCESS; COVERAGE.**

18 “(a) IN GENERAL.—An individual may enroll in the
 19 program established under this part only in such manner
 20 and form as may be prescribed by regulations, and only
 21 during an enrollment period prescribed by the Secretary
 22 consistent with the provisions of this section. Such regula-
 23 tions shall provide a process under which individuals eligi-
 24 ble to enroll as of a month are permitted to pre-enroll dur-

1 ing a prior month within an enrollment period described
 2 in subsection (b).

3 “(b) ENROLLMENT PERIODS.—

4 “(1) INDIVIDUALS 55 TO 65 YEARS OF AGE.—In
 5 the case of individuals eligible to enroll under this
 6 part under section 1860E-1(b)—

7 “(A) INITIAL ENROLLMENT PERIOD.—If
 8 the individual is eligible to enroll under such
 9 section for January 2011, the enrollment period
 10 shall begin on November 1, 2010, and shall end
 11 on February 28, 2011. Any such enrollment be-
 12 fore January 1, 2011, is conditioned upon com-
 13 pliance with the conditions of eligibility for Jan-
 14 uary 2011.

15 “(B) SUBSEQUENT PERIODS.—If the indi-
 16 vidual is eligible to enroll under such section for
 17 a month after January 2011, the enrollment pe-
 18 riod shall begin on the first day of the second
 19 month before the month in which the individual
 20 first is eligible to so enroll and shall end four
 21 months later. Any such enrollment before the
 22 first day of the third month of such enrollment
 23 period is conditioned upon compliance with the
 24 conditions of eligibility for such third month.

1 “(2) AUTHORITY TO CORRECT FOR GOVERN-
 2 MENT ERRORS.—The provisions of section 1837(h)
 3 apply with respect to enrollment under this part in
 4 the same manner as they apply to enrollment under
 5 part B.

6 “(c) DATE COVERAGE BEGINS.—

7 “(1) IN GENERAL.—The period during which
 8 an individual is entitled to benefits under this part
 9 shall begin as follows, but in no case earlier than
 10 January 1, 2011:

11 “(A) In the case of an individual who en-
 12 rolls (including pre-enrolls) before the month in
 13 which the individual satisfies eligibility for en-
 14 rollment under section 1860E–1, the first day
 15 of such month of eligibility.

16 “(B) In the case of an individual who en-
 17 rolls during or after the month in which the in-
 18 dividual first satisfies eligibility for enrollment
 19 under such section, the first day of the fol-
 20 lowing month.

21 “(2) AUTHORITY TO PROVIDE FOR PARTIAL
 22 MONTHS OF COVERAGE.—Under regulations, the
 23 Secretary may, in the Secretary’s discretion, provide
 24 for coverage periods that include portions of a
 25 month in order to avoid lapses of coverage.

1 “(3) LIMITATION ON PAYMENTS.—No payments
 2 may be made under this title with respect to the ex-
 3 penses of an individual enrolled under this part un-
 4 less such expenses were incurred by such individual
 5 during a period which, with respect to the individual,
 6 is a coverage period under this section.

7 “(d) TERMINATION OF COVERAGE.—

8 “(1) IN GENERAL.—An individual’s coverage
 9 period under this part shall continue until the indi-
 10 vidual’s enrollment has been terminated at the ear-
 11 liest of the following:

12 “(A) GENERAL PROVISIONS.—

13 “(i) NOTICE.—The individual files no-
 14 tice (in a form and manner prescribed by
 15 the Secretary) that the individual no
 16 longer wishes to participate in the insur-
 17 ance program under this part.

18 “(ii) NONPAYMENT OF PREMIUMS.—
 19 The individual fails to make payment of
 20 premiums required for enrollment under
 21 this part.

22 “(iii) MEDICARE ELIGIBILITY.—The
 23 individual becomes entitled to benefits or
 24 enrolled under any other part of this title
 25 (other than by reason of this part).

1 “(B) TERMINATION BASED ON AGE.—The
2 individual attains 65 years of age.

3 “(2) EFFECTIVE DATE OF TERMINATION.—

4 “(A) NOTICE.—The termination of a cov-
5 erage period under paragraph (1)(A)(i) shall
6 take effect at the close of the month following
7 for which the notice is filed.

8 “(B) NONPAYMENT OF PREMIUM.—The
9 termination of a coverage period under para-
10 graph (1)(A)(ii) shall take effect on a date de-
11 termined under regulations, which may be de-
12 termined so as to provide a grace period in
13 which overdue premiums may be paid and cov-
14 erage continued. The grace period determined
15 under the preceding sentence shall not exceed
16 60 days; except that it may be extended for an
17 additional 30 days in any case where the Sec-
18 retary determines that there was good cause for
19 failure to pay the overdue premiums within
20 such 60-day period.

21 “(C) MEDICARE ELIGIBILITY OR AGE.—
22 The termination of a coverage period under
23 paragraph (1)(A)(iii) or (1)(B) shall take effect
24 as of the first day of the month in which the
25 individual—

1 “(i) becomes entitled to benefits or
 2 enrolled in any other part of this title
 3 (other than by reason of this part); or
 4 “(ii) attains 65 years of age.

5 **“SEC. 1860E-3. PREMIUMS.**

6 “(a) AMOUNT OF MONTHLY PREMIUMS.—The Sec-
 7 retary shall, during September of each year (beginning
 8 with 2010), determine a monthly premium for individuals
 9 55 years of age or older, equal to $\frac{1}{12}$ of the annual pre-
 10 mium computed under subsection (b)(2), which shall apply
 11 with respect to coverage provided under this title for any
 12 month in the succeeding year.

13 “(b) ANNUAL PREMIUM.—

14 “(1) NATIONAL, PER CAPITA AVERAGE.—The
 15 Secretary shall estimate the average, annual per
 16 capita amount that would be payable under this title
 17 with respect to individuals residing in the United
 18 States who meet the requirement of section 1860E-
 19 1(b)(1)(A) as if all such individuals were eligible for
 20 (and enrolled) under this title during the entire year
 21 (and assuming that section 1862(b)(2)(A)(i) did not
 22 apply).

23 “(2) ANNUAL PREMIUM.—The annual premium
 24 under this subsection for months in a year is equal

1 to the average, annual per capita amount estimated
 2 under paragraph (1) for the year.

3 **“SEC. 1860E–4. PAYMENT OF PREMIUMS.**

4 “(a) PAYMENT OF MONTHLY PREMIUM.—

5 “(1) IN GENERAL.—The Secretary shall provide
 6 for payment and collection of the monthly premium,
 7 determined under section 1860E–3(a) for the the in-
 8 dividual involved, in the same manner as for pay-
 9 ment of monthly premiums under section 1840, ex-
 10 cept that, for purposes of applying this section, any
 11 reference in such section to the Federal Supple-
 12 mentary Medical Insurance Trust Fund is deemed a
 13 reference to the Trust Fund established under sec-
 14 tion 1860E–6.

15 “(2) PERIOD OF PAYMENT.—In the case of an
 16 individual who participates in the program estab-
 17 lished by this title pursuant to enrollment under this
 18 part, the monthly premium shall be payable for the
 19 period commencing with the first month of the indi-
 20 vidual’s coverage period and ending with the month
 21 in which the individual’s coverage under this part
 22 terminates.

23 “(b) APPLICATION OF CERTAIN PROVISIONS.—The
 24 provisions of section 1840 (other than subsection (h))
 25 shall apply to premiums collected under this section in the

1 same manner as they apply to premiums collected under
 2 part B, except that any reference in such section to the
 3 Federal Supplementary Medical Insurance Trust Fund is
 4 deemed a reference to the Trust Fund established under
 5 section 1860E-6.

6 **“SEC. 1860E-5. PROVISIONS RELATING TO EMPLOYMENT-**
 7 **BASED RETIREE HEALTH COVERAGE.**

8 “(a) IN GENERAL.—In the case of an individual who
 9 would be eligible to enroll under this part but for the pro-
 10 vision of employment-based retiree health coverage by an
 11 employer to the individual, notwithstanding the limitation
 12 under section 1860E-1(b)(1)(C), the individual is eligible
 13 to enroll under this part.

14 “(b) MAINTENANCE OF EFFORT.—In the case of an
 15 employer that offers employment-based retiree health cov-
 16 erage to an individual who enrolls under this part, upon
 17 enrollment of the individual under this part, the employer
 18 may modify such coverage to provide for the following ben-
 19 efits:

20 “(1) Payment is made by the employer under
 21 such coverage for items and services for which pay-
 22 ment may not be made under this title.

23 “(2) Payment is made by the employer spon-
 24 soring such coverage of 25 percent of the monthly

1 premium under section 1860E–3 applicable to the
 2 individual after enrollment under this part.

3 “(c) EMPLOYMENT-BASED RETIREE HEALTH COV-
 4 ERAGE.—The term ‘employment-based retiree health cov-
 5 erage’ has the meaning given that term in section 1860D–
 6 22(c)(1), except that, for purposes of this part, the ref-
 7 erence in such section to ‘part D eligible individuals’ is
 8 deemed to be a reference to ‘individuals eligible to enroll
 9 under part E’.

10 **“SEC. 1860E–6. MEDICARE EARLY ACCESS TRUST FUND.**

11 “(a) ESTABLISHMENT OF TRUST FUND.—

12 “(1) IN GENERAL.—There is hereby created on
 13 the books of the Treasury of the United States a
 14 trust fund to be known as the ‘Medicare Early Ac-
 15 cess Trust Fund’ (in this section referred to as the
 16 ‘Trust Fund’). The Trust Fund shall consist of such
 17 gifts and bequests as may be made as provided in
 18 section 201(i)(1) and such amounts as may be de-
 19 posited in, or appropriated to, such fund as provided
 20 in this title.

21 “(2) PREMIUMS.—Premiums collected under
 22 section 1860E–3 and payable under section 1860E–
 23 5(a)(2) shall be transferred to the Trust Fund.

24 “(b) INCORPORATION OF PROVISIONS.—

1 “(1) IN GENERAL.—Subject to paragraph (2),
 2 subsections (b) through (i) of section 1841 shall
 3 apply with respect to the Trust Fund and this title
 4 in the same manner as they apply with respect to
 5 the Federal Supplementary Medical Insurance Trust
 6 Fund and part B, respectively.

7 “(2) MISCELLANEOUS REFERENCES.—In apply-
 8 ing provisions of section 1841 under paragraph
 9 (1)—

10 “(A) any reference in such section to ‘this
 11 part’ is construed to refer to this part E;

12 “(B) any reference in section 1841(h) to
 13 section 1840(d) and in section 1841(i) to sec-
 14 tions 1840(b)(1) and 1842(g) are deemed ref-
 15 erences to comparable authority exercised under
 16 this part; and

17 “(C) payments may be made under section
 18 1841(g) to the Trust Funds under sections
 19 1817 and 1841 as reimbursement to such funds
 20 for payments they made for benefits provided
 21 under this part.

22 **“SEC. 1860E-7. OVERSIGHT AND ACCOUNTABILITY.**

23 “(a) ANNUAL REPORTS OF TRUSTEES.—The Board
 24 of Trustees of the Medicare Early Access Trust Fund
 25 under section 1860E-6(b)(1) shall report on an annual

1 basis to Congress concerning the status of the Trust Fund
 2 and the need for adjustments in the program under this
 3 part to maintain financial solvency of the program under
 4 this part.

5 “(b) PERIODIC GAO REPORTS.—The Comptroller
 6 General of the United States shall periodically submit to
 7 Congress reports on the adequacy of the financing of cov-
 8 erage provided under this part. The Comptroller General
 9 shall include in such report such recommendations for ad-
 10 justments in such financing and coverage as the Comp-
 11 troller General deems appropriate in order to maintain fi-
 12 nancial solvency of the program under this part.

13 **“SEC. 1860E-8. ADMINISTRATION AND MISCELLANEOUS.**

14 “(a) TREATMENT FOR PURPOSES OF TITLE.—Ex-
 15 cept as otherwise provided in this part—

16 “(1) individuals enrolled under this part shall
 17 be treated for purposes of this title as though the in-
 18 dividual were entitled to benefits and enrolled under
 19 any part of this title; and

20 “(2) benefits described in section 1860E-1
 21 shall be payable under this title to such individuals
 22 in the same manner as if such individuals were so
 23 entitled and enrolled.

24 “(b) NOT TREATED AS MEDICARE PROGRAM FOR
 25 PURPOSES OF MEDICAID PROGRAM.—For purposes of ap-

1 plying title XIX (including the provision of medicare cost-
 2 sharing assistance under such title), an individual who is
 3 enrolled under this part shall not be treated as being enti-
 4 tled to benefits under this title.

5 “(c) NOT TREATED AS MEDICARE PROGRAM FOR
 6 PURPOSES OF COBRA CONTINUATION PROVISIONS.—In
 7 applying a COBRA continuation provision (as defined in
 8 section 2791(d)(4) of the Public Health Service Act), any
 9 reference to an entitlement to benefits under this title
 10 shall not be construed to include entitlement to benefits
 11 under this title pursuant to the operation of this part.”.

12 (b) CONFORMING AMENDMENTS TO SOCIAL SECU-
 13 RITY ACT PROVISIONS.—(1) Section 201(i)(1) of the So-
 14 cial Security Act (42 U.S.C. 401(i)(1)) is amended—

15 (A) by striking “or the Federal Supplementary
 16 Medical Insurance Trust Fund” and inserting “the
 17 Federal Supplementary Medical Insurance Trust
 18 Fund”; and

19 (B) by inserting “, or the Medicare Early Ac-
 20 cess Trust Fund” after “such Trust Fund”.

21 (2) Section 201(g)(1)(A) of the Social Security Act
 22 (42 U.S.C. 401(g)(1)(A)), in the matter preceding clause
 23 (i), is amended by striking “and the Federal Supple-
 24 mentary Medical Insurance Trust Fund established by
 25 title XVIII” and inserting “, the Federal Supplementary

1 Medical Insurance Trust Fund, and the Medicare Early
2 Access Trust Fund established by title XVIII”.

3 (3) Section 1820(i) of the Social Security Act (42
4 U.S.C. 1395i–4(i)) is amended by striking “part D” and
5 inserting “part F”.

6 (4) Section 1853 of the Social Security Act (42
7 U.S.C. 1395w–23), as amended by sections 401 and 402
8 of the HITECH Act (Public Law 111–5), is amended by
9 adding at the end the following new subsection:

10 “(n) ADJUSTMENT FOR EARLY ACCESS.—For years
11 beginning with 2011, in applying this section with respect
12 to individuals entitled to benefits under part E, the Sec-
13 retary shall provide for an appropriate adjustment in the
14 payment amount determined under this section or section
15 1858, as may be appropriate to reflect differences between
16 the population served under such part and the population
17 under parts A and B.”.

18 (5) Section 1860D–15(c)(1) of the Social Security
19 Act (42 U.S.C. 1395w–115(c)(1)) is amended by adding
20 at the end the following new subparagraph:

21 “(E) ADJUSTMENT FOR EARLY ACCESS.—
22 In applying this section with respect to individ-
23 uals entitled to benefits under part E, the Sec-
24 retary shall provide for an appropriate adjust-
25 ment in the payment amount determined under

1 this section as may be appropriate to reflect dif-
 2 ferences between the population served under
 3 such part and the population under parts A and
 4 B.”.

5 (c) CONFORMING REFERENCE TO PREVIOUS PART
 6 E.—Any reference in law (in effect before the date of the
 7 enactment of this Act) to part E of title XVIII of the So-
 8 cial Security Act is deemed a reference to part F of such
 9 title (as in effect after such date).

10 (d) OTHER CONFORMING AMENDMENTS.—(1) Sec-
 11 tion 602(2)(D)(ii) of the Employee Retirement Income Se-
 12 curity Act of 1974 (29 U.S.C. 1162(2)(D)(ii)) is amended
 13 by inserting “(not including benefits under section
 14 1860E–1 of such Act)” after “Social Security Act”.

15 (2) Section 2202(2)(D)(ii) of the Public Health Serv-
 16 ice Act (42 U.S.C. 300bb–2(2)(D)(ii)) is amended by in-
 17 serting “(not including benefits under section 1860E–1 of
 18 such Act)” after “Social Security Act”.

19 (3) Section 4980B(f)(2)(B)(i)(V) of the Internal Rev-
 20 enue Code of 1986 is amended by inserting “(not includ-
 21 ing benefits under section 1860E–1 of such Act)” after
 22 “Social Security Act”.

1 **TITLE II—REFUNDABLE AND**
 2 **ADVANCEABLE CREDIT**
 3 **AGAINST INCOME TAX FOR**
 4 **MEDICARE EARLY ACCESS**
 5 **PREMIUMS**

6 **SEC. 201. REFUNDABLE AND ADVANCEABLE INCOME TAX**
 7 **CREDIT FOR MEDICARE EARLY ACCESS PRE-**
 8 **MIUMS.**

9 (a) IN GENERAL.—Subpart C of part IV of sub-
 10 chapter A of chapter 1 of the Internal Revenue Code of
 11 1986 (relating to refundable personal credits) is amended
 12 by inserting after section 36A the following new section:

13 **“SEC. 36B. MEDICARE EARLY ACCESS PREMIUMS.**

14 “(a) IN GENERAL.—In the case of an individual,
 15 there shall be allowed as a credit against the tax imposed
 16 by this chapter for the taxable year an amount equal to
 17 75 percent of the amount paid during such year as Medi-
 18 care early access coverage premiums.

19 “(b) DEFINITIONS.—For purposes of this section the
 20 term ‘Medicare early access coverage premiums’ means
 21 premiums paid under part E of title XVIII of the Social
 22 Security Act.

23 “(c) COORDINATION WITH ADVANCE PAYMENT.—
 24 With respect to any taxable year, the amount which would
 25 (but for this subsection) be allowed as a credit under sub-

1 section (a) shall be reduced (but not below zero) by the
 2 aggregate amount paid on behalf of such taxpayer under
 3 section 7529 for such taxable year.”.

4 (b) ADVANCE PAYMENT OF CREDIT.—Chapter 77 of
 5 such Code (relating to miscellaneous provisions) is amend-
 6 ed by adding at the end the following new section:

7 **“SEC. 7529. ADVANCE PAYMENT OF CREDIT FOR MEDICARE**
 8 **EARLY ACCESS PREMIUMS.**

9 “(a) GENERAL RULE.—The Secretary shall establish
 10 a program for making payments on behalf of individuals
 11 enrolled under part E of title XVIII of the Social Security
 12 Act to the Secretary of Health and Human Services for
 13 premiums payable by such individuals under such part.

14 “(b) LIMITATION ON ADVANCE PAYMENTS DURING
 15 ANY TAXABLE YEAR.—The Secretary may make pay-
 16 ments under subsection (a) only to the extent that the
 17 total amount of such payments made on behalf of any indi-
 18 vidual during the taxable year does not exceed the amount
 19 allowable as a credit to such individual for such year under
 20 section 36B (determined without regard to subsection (c)
 21 thereof).”.

22 (c) CONFORMING AMENDMENTS.—(1) Section
 23 6211(b)(4)(A) of such Code is amended by inserting
 24 “36B,” after “36A,”.

1 (2) Paragraph (2) of section 1324(b) of title 31,
 2 United States Code, is amended by inserting “36B,” after
 3 “section 36A,”.

4 (3) The table of sections for subpart C of part IV
 5 of subchapter A of chapter 1 of the Internal Revenue Code
 6 of 1986 is amended by inserting after the item relating
 7 to section 36A the following new item:

“36B. Medicare early access premiums.”.

8 (4) The table of sections for chapter 77 of such Code
 9 is amended by adding at the end the following new item:

“7529. Advance payment of credit for Medicare early access premiums.”.

10 (d) EFFECTIVE DATE.—The amendments made by
 11 this section shall apply to taxable years beginning after
 12 December 31, 2010.

○